



Transportation Finance Issues: Transportation fund

How does Wisconsin's funding compare to other states?

Wisconsin funds all transportation activities from one, narrow funding source

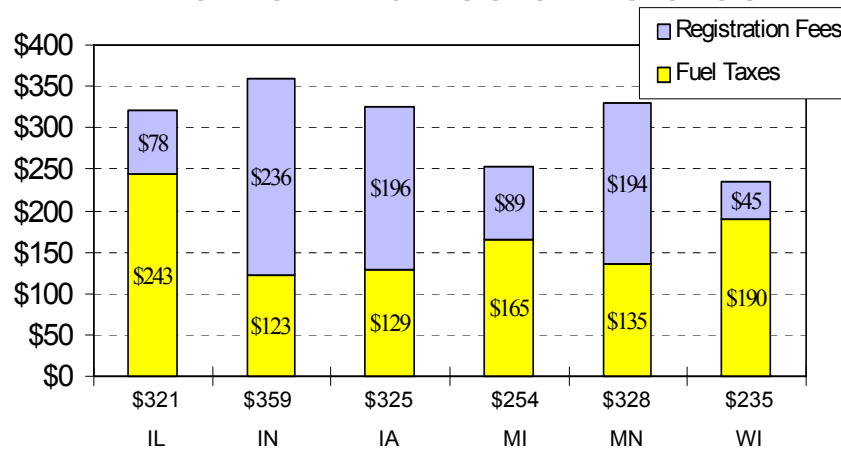
- Wisconsin is the only state in the country to fund all modes of transportation, as well as the Division of Motor Vehicles and the State Patrol, solely through a segregated Transportation Fund.
- Other states use a combination of vehicle-related fees, fuel taxes, excise taxes, bonding, and General Fund appropriations to address transportation needs. No General Fund revenues are used for transportation in Wisconsin.
- In other states, it is more common to dedicate gas tax revenues solely to highway projects and use General Fund revenues to finance the state's contribution to non-highway facilities and services.

High state gas tax, but lower overall fees

- Wisconsin does have a high state gas tax. It is the highest among neighboring Midwestern states. However, it is misleading to only compare the state gas tax.
- When the full range of annual transportation-related taxes and fees are considered, Wisconsin residents pay less than residents in neighboring states with a lower state gas tax.
- Wisconsin's vehicle taxes and fees are straightforward and easy to understand:
 - Annual vehicle registration fee is a flat \$45
 - State gasoline tax is 28.5 cents per gallon statewide (an additional 3 cents per gallon is collected as an environmental surcharge)

- In nearby states, there is a much more complicated mix of taxes and fees. For instance, most states base their registration fees on the vehicle's weight, age or value. Many states give local units of government the authority to impose a local tax on gasoline and some states impose a sales tax on gasoline.
- When the highest combination of state and local gas taxes and fees are considered, Wisconsin ranks among the bottom half of all states. Wisconsin's taxes and fees are the lowest among neighboring Midwestern states.

Fees and taxes compared to other Midwestern states



*Comparison is based on the maximum state and local taxes and fees to drive a 2001 Ford Taurus 15,000 miles for the year at 24.5 miles per gallon

Typical Transportation-related Revenue Sources in Other States

| STATE | Driver License Fees | Motor Fuel Taxes | Registration Fees | Title Fees | Vehicle Excise Taxes (1) | Bonding | Road and Bridge Tolls | General Fund Appropriations | Sales Tax on Motor Fuel (2) | Vehicle Sales/Use Taxes | Vehicle Related Sales/Use Taxes | Other GPR (3) |
|----------------|---------------------|------------------|-------------------|------------|--------------------------|---------|-----------------------|-----------------------------|-----------------------------|-------------------------|---------------------------------|---------------|
| Idaho | X | X | X | X | X | | | | | | | |
| Illinois | X | X | X | X | | X | X | X | X | | | |
| Iowa | X | X | X | X | | | | X | | X | | |
| Kansas | X | X | X | X | X | X | X | X | | X | | |
| Maryland | X | X | X | X | | X | X | | | X | | X |
| Michigan | X | X | X | X | | X | X | X | X | | X | |
| Minnesota | X | X | X | X | | X | | X | | X | | |
| Nevada | X | X | X | X | X | | | | X | | | |
| North Carolina | X | X | X | X | X | X | | X | | X | | |
| Ohio | X | X | X | X | X | X | X | X | | | | |
| Pennsylvania | X | X | X | X | | X | X | X | | | X | X |
| South Carolina | X | X | X | X | X | X | | X | | | | |
| Tennessee | X | X | X | X | X | | X | | | | | X |
| Washington | X | X | X | X | X | X | X | X | | | | |
| Wisconsin (4) | X | X | X | X | | X | | | | | | |

(1) Collected at state and/or local level. Revenues not necessarily expended on transportation.

(2) Collected at state and/or local level. Revenues not necessarily expended on transportation.

(3) Maryland uses a portion of corporate income taxes for transportation, Pennsylvania, lottery proceeds, Tennessee, beer taxes and state sales/use taxes.

(4) Except for very minor general fund appropriations amounting to less than 1% of state transportation funds, Wisconsin makes no use of general fund appropriations for transportation or general fund revenue sources. Likewise, except for two communities assessing a wheel tax on about 2% of the state's population, Wisconsin charges no annual excise tax on vehicles.